

# Quarterly Report



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4th. Quarter 2003, Report No. 38

October—December 2003

## California Partnership for Long-Term Care

[www.dhs.ca.gov/cpltc](http://www.dhs.ca.gov/cpltc)

### Participating Insurers

- Bankers Life and Casualty Company
- California Public Employees' Retirement System (PERS)
- GE Capital Assurance (formerly AMEX)
- John Hancock
- New York Life Insurance Company

### This Quarter

### To Date

### Applications Received:

3,614

77,423

### Applications Denied:

582

13,439

### Applications Pending & Withdrawn:

0

0

### Policies Purchased:

3,032

63,984

### Policies Dropped (voluntarily & for un- known reasons):

343

6,000

### Policies Not Taken Up: (dropped within 30 days of purchase)

245

3,316

### Total Policies In Force (Active):

2,444

54,632

### Number of Policyhold- ers Who Received Ser- vice Payments:

183

624

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### I. Quarterly and Cumulative Statistics

| <u>Telephone Calls:</u>                          | <u>This Quarter</u> | <u>Cumulative</u>   |
|--|---------------------|---------------------|
| Number of Con-<br>sumers Who<br>Called Toll-Free | 127                 | 25,294<br>(CARE445) |

## I. Quarterly and Cumulative Statistics

| <u>Age:</u>        | <u>This Quarter</u> | <u>Cumulative</u> |
|--------------------|---------------------|-------------------|
| Median             | 57                  | 61                |
| Target Age (55-74) | 1,515 (62%)         | 38,686 (71%)      |
| Other Ages         | 929 (38%)           | 15,946 (29%)      |

### Gender:

|        |             |              |
|--------|-------------|--------------|
| Male   | 1,026 (42%) | 22,291 (41%) |
| Female | 1,418 (58%) | 32,341 (59%) |

### Marital Status:

|             |             |              |
|-------------|-------------|--------------|
| Married     | 1,784 (73%) | 37,591 (69%) |
| Not Married | 562 (23%)   | 16,603 (30%) |
| Unknown     | 98 ( 4%)    | 438 ( 1%)    |

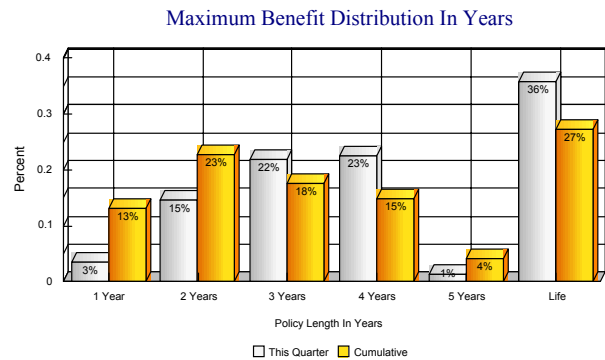
### Policy Type:

|               |             |              |
|---------------|-------------|--------------|
| Comprehensive | 2,420 (99%) | 51,409 (94%) |
| Nursing Home  | 24 ( 1%)    | 3,223 ( 6%)  |

### Purchase Type:

|                                |              |               |
|--------------------------------|--------------|---------------|
| First Time Purchase            | 2,322 (95%)  | 51,338 (94%)  |
| Upgrade                        | 24 ( 1%)     | 866 ( 2%)     |
| Replacement                    | 98 ( 4%)     | 2,420 ( 4%)   |
| Reinstatement                  | 0 ( 0%)      | 8 (<1%)       |
| Totals for each category above | 2,444 (100%) | 54,632 (100%) |

## II. Maximum Benefit Amounts Distribution



### Maximum Benefit (In years):

|                       | 1 Yr  | 2 Yr   | 3 Yr  | 4 Yr  | 5 Yr  | Life   | All    |
|-----------------------|-------|--------|-------|-------|-------|--------|--------|
| This Qtr. # Policies  | 85    | 360    | 536   | 554   | 35    | 874    | 2,444  |
| This Qtr. %           | 3%    | 15%    | 22%   | 23%   | 1%    | 36%    | 100%   |
| Cumulative # Policies | 7,205 | 12,421 | 9,688 | 8,173 | 2,253 | 14,892 | 54,632 |
| Cumulative %          | 13%   | 23%    | 18%   | 15%   | 4%    | 27%    | 100%   |

### Characteristics By Maximum Benefit In Years (This Quarter)

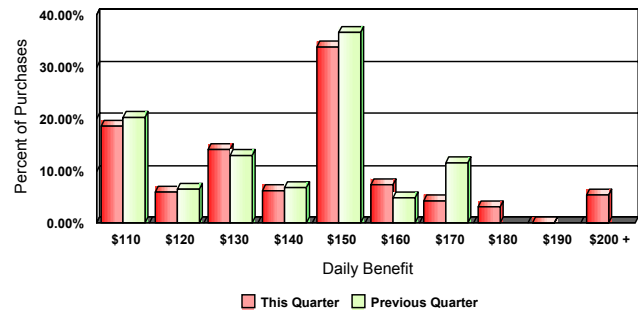
#### Characteristic:

|                      | 1 Yr | 2 Yr | 3 Yr | 4 Yr | 5 Yr | Life | All |
|----------------------|------|------|------|------|------|------|-----|
| Married              | 56%  | 68%  | 70%  | 78%  | 45%  | 76%  | 73% |
| Female               | 56%  | 59%  | 59%  | 56%  | 61%  | 57%  | 58% |
| Avg. Age             | 64   | 66   | 59   | 56   | 47   | 54   | 57  |
| Target Ages          | 70%  | 70%  | 73%  | 68%  | 57%  | 47%  | 62% |
| New Purchase         | 94%  | 97%  | 96%  | 95%  | 100% | 94%  | 95% |
| Comprehensive Policy | 92%  | 99%  | 99%  | 100% | 98%  | 99%  | 99% |

### III. Daily Benefit Distribution

| Daily Benefit | This Quarter  | Previous Quarter |
|---------------|---------------|------------------|
| \$110         | 457 ( 18.72%) | ( 20.33%)        |
| \$120         | 148 ( 6.04%)  | ( 6.65%)         |
| \$130         | 350 (14.33%)  | (12.98%)         |
| \$140         | 155 ( 6.33%)  | ( 6.85%)         |
| \$150         | 827 (33.93%)  | (36.66%)         |
| \$160         | 179 ( 7.33%)  | ( 4.97%)         |
| \$170         | 106 ( 4.33%)  | N/A              |
| \$180         | 80 ( 3.29%)   | N/A              |
| \$190         | 5 ( 0.19%)    | N/A              |
| \$200 or More | 137 ( 5.62%)  | N/A              |

Daily Benefit  
Quarterly Purchasing Trend

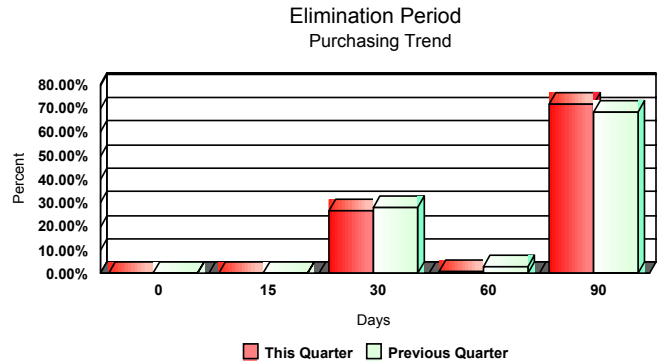


NOTE: Due to significant participation in the greater than \$160 dollar daily benefit categories, this table and accompanying graph have been expanded to include four additional daily benefit categories.

## IV. Elimination Period Distribution

(at time of purchase)

| Days | This Quarter | Previous Quarter |
|------|--------------|------------------|
| 0    | 0.26%        | 0.13%            |
| 15   | 0.13%        | 0.21%            |
| 30   | 26.60%       | 28.03%           |
| 60   | 1.36%        | 2.89%            |
| 90   | 71.66%       | 68.75%           |



## V. Age of Policyholders

(at time of purchase)

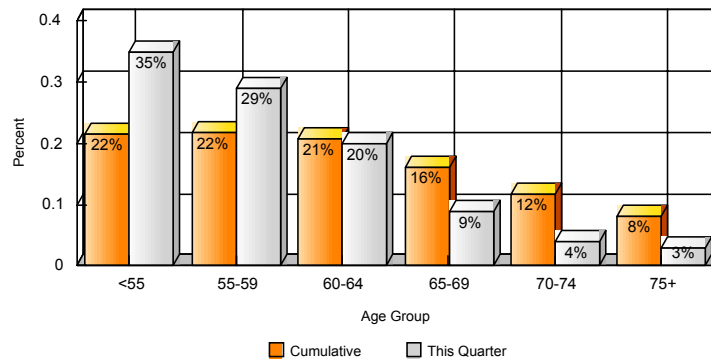
### Age Group:

|                               | <55    | 55-59  | 60-64  | 65-69 | 70-74 | 75+   | Total  |
|-------------------------------|--------|--------|--------|-------|-------|-------|--------|
| <b>This Qtrtr. # Policies</b> | 855    | 709    | 489    | 220   | 98    | 73    | 2,444  |
| <b>This Qtrtr. %</b>          | 35%    | 29%    | 20%    | 9%    | 4%    | 3%    | 100%   |
| <b>Cumulative # Policies</b>  | 11,780 | 11,913 | 11,288 | 8,875 | 6,390 | 4,386 | 54,632 |
| <b>Cumulative %</b>           | 21%    | 22%    | 21%    | 16%   | 12%   | 8%    | 100%   |

NOTE: At times, the plotted percentages may not appear to agree with the table above due to rounding.

### Policyholders Age Distribution

By Age Group

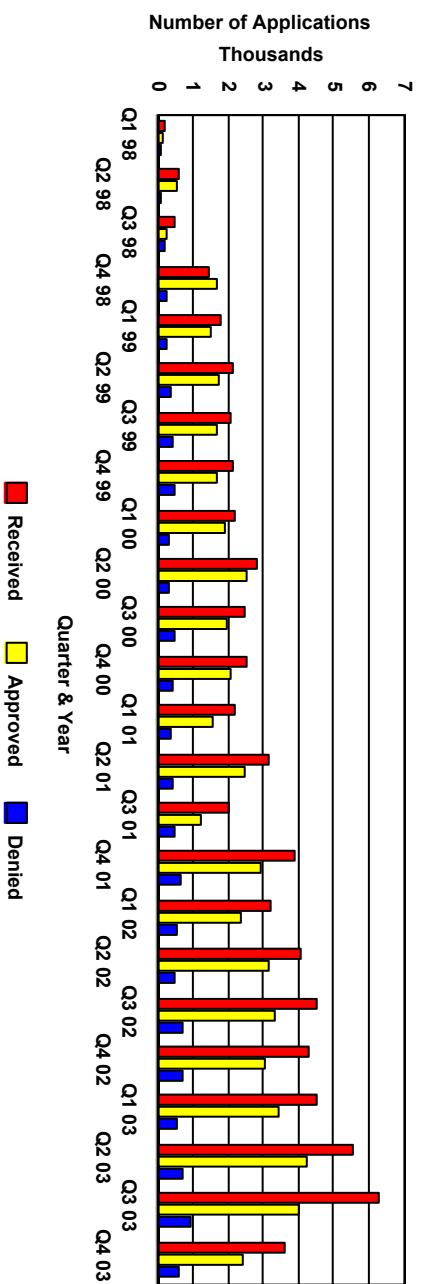


## VI. Trends

|          | 1998 |       |       |       | 1999 |     |     |       | 2000  |       |       |       | 2001  |       |       |       | 2002  |       |       |       | 2003  |       |       |       |       |       |       |       |
|----------|------|-------|-------|-------|------|-----|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|          | 1994 | 1995  | 1996  | 1997  | Q1   | Q2  | Q3  | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    |       |       |       |       |
| Quarter  | 1994 | 1995  | 1996  | 1997  | Q1   | Q2  | Q3  | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    |       |       |       |       |
| Received | 402  | 2,979 | 4,598 | 2,182 | 191  | 600 | 477 | 1,440 | 1,779 | 2,107 | 2,073 | 2,151 | 2,205 | 2,841 | 2,473 | 2,528 | 2,179 | 3,141 | 2,035 | 3,907 | 3,218 | 4,063 | 4,548 | 4,317 | 4,498 | 5,546 | 6,309 | 3,614 |
| Approved | 237  | 2,123 | 3,095 | 1,366 | 115  | 537 | 262 | 1,692 | 1,520 | 1,763 | 1,655 | 1,654 | 1,908 | 2,547 | 1,978 | 2,087 | 1,561 | 2,452 | 1,224 | 2,942 | 2,351 | 3,174 | 3,330 | 3,066 | 3,461 | 4,213 | 4,028 | 2,444 |
| Denied   | 60   | 713   | 1,039 | 809   | 84   | 63  | 215 | 269   | 259   | 344   | 418   | 497   | 287   | 294   | 495   | 441   | 387   | 437   | 473   | 645   | 529   | 497   | 693   | 686   | 558   | 705   | 960   | 582   |

NOTE: A correction has been made in the Received and Approved rows of this table for the quarters 1 through 3 of the year 2001. During the 4th. quarter of 2001, we switched from a Cumulative data presentation to a Quarterly data presentation. It was during this conversion that the wrong figures were entered onto this table. The errors affected this table and resulting graph ONLY.

## Trend In Applications Received, Approved, Denied By Quarter



Redesigned policies available as of the 4th. quarter of 1998

## VII. Policyholders and Asset Protection Earned

|  | <u>This Quarter</u> | <u>Cumulative*</u> |
|--|---------------------|--------------------|
| Number of policyholders to date, who have qualified to receive benefit payments  | 74                  | 838                |
| Total asset protection earned by all policyholders who received benefits   | \$1,098,812         | \$15,177,911       |
| Number of policyholders currently in benefit/payments made   | 183                 | N/A                |
| Number of Policyholders that have exhausted benefits   | 0                   | 63                 |
| Total asset protection earned to date by policyholders that have exhausted benefits                                      | 0                   | \$3,363,133        |
| Number of policyholders that died while in benefit   | 24                  | 254                |
| **Total asset protection earned that will NOT be accessed due to policyholders demise while in benefit.                  | \$162,521           | ** \$3,032,241     |
| Number of policyholders who have exhausted their policy benefits and accessed Medicaid as of 12/31/2003                  | 2                   | 21                 |
| Asset protection earned by policyholders who have exhausted their policy benefits and accessed Medicaid as of 12/31/2003 | N/A                 | \$1,076,353        |

\*NOTE: Data is audited on an ongoing basis. For this reason, some cumulative figures may show adjustments made during the current quarter , that on the surface may not appear to consolidate with the previous quarter cumulative figures.

\*\* NOTE: This figure has been reduced from the total potential asset protection that could have been earned to the total asset protection actually earned and which Medi-Cal actually would have saved.

## VIII. Service Utilization

| <b>Type of Service<br/>(Other Than Care Management)</b> | <b>This Quarter, % of All Services<br/>Rendered to Policyholders In-<br/>Benefit (183) by Type of Service</b> | <b>*Cumulative % of All Services<br/>Rendered to All Policyholders (838)<br/>by Type of Service</b> |
|---|---|---|
| Skilled Nursing Facility                                | 9%  | 6%  |
| Assisted Living Facility/RCF                            | 28%   | 15%   |
| Other Alternative Housing                               | 3%  | 1%  |
| Home Health Aide Services                               | 15%   | 9%  |
| Adult Day Care (health & social)                        | 2%  | 1%  |
| Attendant Care  | 9%  | 8%  |
| Personal Care   | 19%   | 12%   |
| Chore Services  | 5%  | 1%  |
| Personal Emergency Response System                      | 1%  | <1%   |
| Care Planning (benefit cost)                            | 3%  | <1%   |
| Coordination (benefit cost)                             | 3%  | <1%   |

NOTE: services amounting to less than 1% usage during the quarter are excluded. Therefore, the percentages total may not equal 100%.

\*NOTE: The discrepancies between the previous quarter's cumulative percentages and this quarter's percentages are due to erroneous processing of the 3rd. Quarter cumulative Service Payment and Utilization file.

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| <b>Type of Care Management Service<br/>(Administrative Costs)</b> | <b>This Quarter, % of All Services<br/>Rendered to Policyholders In-<br/>Benefit (183) by Type of Service</b> | <b>Cumulative % of All Services Ren-<br/>dered to All Policyholders (838) by<br/>Type of Service</b> |
|---|---|--|
| Assessment & Care Planning  | 7%  | 8%   |
| Assessment Only   | 10%   | 10%  |
| Care Planning Only  | 5%  | 9%   |
| Coordination  | 2%  | 4%   |
| Monitoring Only   | 62%   | 54%  |
| Reassessment Only   | 12%   | 16%  |

NOTE: Care Management Services (reported as administrative costs) amounting to less than 1% are excluded. Therefore, the percentages total may not equal 100%.

# The California Partnership for Long-Term Care 4th. Quarter of 2003 Quarterly Report

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